

or a year—that would include myself when I came—and you would not have the experience SAM NUNN gained during the final 12 of his 24 years in the U.S. Senate in dealing with international and defense issues.

That is a debate we will have at some later point. I think it does not favor this country to suggest somehow that we should have prohibited this country from the service given by Calhoun, Clay, Webster, and, yes, Goldwater and Humphrey and DOLE and others. These are people who spent a lot of time serving the public interests, amassing a great deal of experience and served this country well.

I do not spend a minute worrying or thinking about term limits. That is up to the American people. If they choose to change the Constitution to limit their choice in a different way, they have every right to do that, and will do that if that is their pleasure.

#### KEEP BLOCK GRANT MONEY AT HOME

Mr. DORGAN. Mr. President, I came to the floor to speak about another subject. I was here when Senator BOXER from California spoke on Medicare and Medicaid, and I shall not do that except to say this: I am intending at some point to gather together the legislation that we are block granting back to all the Governors in the States. We are doing this under the presumption that somehow the Governors are able to discern better how to spend all this money—Medicaid, a whole range of areas, tens of billions of dollars that will be sent back to the States through block grants.

They will send back less money but block grant it with fewer strings. The presumption is that the money will go from the taxpayers to the Federal Government; we send it to the Governors, saying, "go ahead and spend it."

My theory is, why put miles on all this money? Why send a tax dollar from Bismarck, ND, to Washington, DC, only to send it back to the Governor of North Dakota? Why do you want to send it from California to Washington to send it back to the Governor? Why not keep it at home? Want to block grant? Why collect it and have it run through Washington? That is like passing an ice cube around. Why lose money? Why not say to the Governors, "Look, if you want to do this, God love you, God please you, you do it. You raise the money. You tax the folks in your State, and you spend it."

I tell you, that is the best way to have lack of accountability of Federal funds quickly. That is, for the Federal Government to tax the citizens, get the money and give it to another level of government someplace else and say, "By the way, here is the pot of money. We tied it with a bow. No strings attached. You go ahead and spend it as you wish." Do you want to have horror stories, in 3 years, 5 years, 10 years, about how the taxpayers' money is

spent? You just move free money around and have Governors spending money they did not raise.

I am going to offer some legislation here that says whatever it is you are block granting, let us take all of that and reduce the Federal taxes by that amount and say to the Governors: You do it. Raise your own money and spend your own money. It is a far more effective and far more efficient way to do business. That is for another day. But I intend to do that because I do not believe that block grants of the type we are talking about serve the taxpayers' interests. Let them do it at home. Let them raise the money at home and let them also decide how to spend the money at home.

Mr. President, I understand another Senator wishes to speak on the legislation that is on the floor. Because of that, so Senator KASSEBAUM has the opportunity, I would like to take just about 5 or 8 minutes, and I will not extend beyond that, so I can finish. I was intending to speak longer, but I will shorten it so the Senator has an opportunity to speak on the bill.

Will that be acceptable to the Senator from Kansas?

Mrs. KASSEBAUM. Mr. President, that is fine. I will be happy to wait.

#### THE TRADE DEFICIT

Mr. DORGAN. Mr. President, actually I was here before the Senator from Ohio rose, but I was waiting to speak on the issue of the President of Mexico visiting Washington, DC, and the news reports about that. I want to talk just a bit about it, because here is what is happening.

President Zedillo, of Mexico, visits Washington, DC. There is a state dinner at the White House for the President. I am sure the President of Mexico is a wonderful person. He and President Clinton are talking about trade between our two countries; they are dining together and talking about our mutual interests.

Then we have press stories. This is yesterday's press story. It says, Mexico, in fact, has made a \$700 million payment toward the \$12.5 billion debt that it owes this country from the loans we gave Mexico. In fact, they made the \$700 million payment early, and is that not a wonderful thing, that Mexico paid early?

That is a nice thing. I am pleased about that. But I would like to ask a question of both President Clinton and the President of Mexico. And I will ask a question, because President Clinton and senior trade officials in the administration say that NAFTA, the trade agreement with Mexico, "has created 340,000 jobs in the United States." This says, "The senior U.S. official, who asked not to be identified, said NAFTA, the trade agreement with Mexico, has created 340,000 jobs in the United States."

I can understand why this person did not want to be identified. I can under-

stand why somebody who puts out this kind of nonsense does not want to be identified. But let me remind those who have dinner together and talk about the United States-Mexico relationship, that the year before we had a free trade agreement with Mexico we had nearly a \$2 billion trade surplus. In fact, the year before that it was a nearly \$6 billion trade surplus with Mexico. When we had NAFTA up for consideration here in the U.S. Senate, the surplus was nearly a \$2 billion.

Guess what? This year that nearly \$2 billion surplus with Mexico is going to go to a \$15 billion—some estimates say \$18 billion—trade deficit. We pass NAFTA with Mexico, we have a \$2 billion trade surplus, and 2 years later we have a \$15 to \$18 billion trade deficit with Mexico. Then we are told this creates jobs. Are people drinking from the wrong jug someplace? You create jobs when you have an \$18 billion deficit? Of course you do not create jobs. You lose jobs.

Here is what we lost. The promise by these economists who flail their arms around was that we would have 220,000 new jobs if we just pass NAFTA—exactly the opposite has happened. We have lost about 220,000 jobs as a result of that trade agreement. So, I say to President Clinton and President Zedillo and others, that when we talk about these trade relationships, let us get the facts straight.

Why does it matter? It matters because this relates to jobs, opportunity, and growth in our country. It is not just Mexico. It is Japan. It is China. It is a whole series of problems we have in trade. We have a \$65 billion trade deficit with Japan. It is an outrage. American jobs are moving overseas wholesale. American corporations, as all of us know, have decided we are going to allow our marketplace to be a sponge for Japanese goods and Chinese goods and, yes, Mexican goods.

When these American companies produce to sell elsewhere, they decide to produce in Sri Lanka and Bangladesh and China and Indonesia. Why? Because you can hire cheap labor in those places. So an American company shuts down an American plant, moves the jobs overseas, produces something for pennies an hour—often hiring kids to do it—and then ships the product back to Pittsburgh or Fargo or Denver, and says, "Isn't this wonderful? Our profits are up."

Yes, your profits are up—and our jobs are gone. Then we measure all this. The Nation's leaders measure all this with a thing called gross domestic product, GDP.

It has been a big year for GDP, I tell all these economists. Do you know why it's been a big year for GDP? Because we have had all these hurricanes. Do you know, when you have hurricanes, the GDP increases? I bet nobody knows that. Only those folks in the Federal Reserve Board, with thick glasses, who live in concrete bunkers and count all the beans know that. They know you

count economic growth by hurricanes. Hurricane Andrew—remember the one that leveled Florida—guess what? All the economists counted that as one-half of 1 percent of economic growth for our country in that year.

Why? Because these economists do not count the damage. They just count the repair. Car accidents are progress; heart attacks, a big deal, at least for economists who count the gross domestic product.

My point is this. Take a look at our economic strategy for trade, and how it relates to jobs leaving America. Take a look at our economic strategy, how we measure economic progress, how we measure growth with the GDP that does not care whether people are better off, a GDP that does not care whether America's standard of living has increased, and then you understand—you have to understand—that we need to change gears in this country.

We need to change the way we think. We need to care about whether an economic strategy works for real people. We need fundamental change in the way we piece together an economic strategy that creates jobs, expanded economic opportunity and growth.

Frankly, our trade strategy is wrong. It is bankrupting this country. Our economic strategy measures the wrong things, and we are not even discussing the right topics. How many people in this Chamber, at a time when this country has the largest trade deficit in the history of civilization—I repeat, the largest in history—how many people have come to the floor of the Senate in the last 6 months to talk about the trade deficit?

The trade deficit is bigger than the fiscal policy budget deficit. There are not three people, four people who come to the floor to talk about it. Those who do are called xenophobic isolationist stooges because either you are a free-trader or one of the nuts who does not understand.

If this country needs to turn its attention to what is fair trade and how we recapture economic opportunity, good jobs that pay decent incomes here at home, responsibility and accountability for corporations. Corporations are the artificial people in our society. What is the responsibility of corporations who access our marketplace but move jobs elsewhere? What is their responsibility in any sense of economic nationalism, to care about what happens to our country?

I promised I would be brief, but I will come later and have printed in the RECORD the first 6 months' trade information in our country that shows the largest merchandise trade deficit in the history of this country. Yes, with Mexico, just as an example, it is in electrical equipment and machinery. It is in vehicles, automobiles. It is in optical, photographic, cinematography, measuring, and so on. It is in high-tech goods. It is exactly the opposite of what we were promised. It is the oppo-

site of what we were told was going to happen with Mexico.

They said Mexico is going to produce the low-skilled goods and ship that in. That is not what happened. That is not where the deficit is. The deficit is in precisely the kind of goods that are produced through well-paying jobs. They were in this country but have since left because we have created a strategy that says, "It is all right, you just take your jobs and go elsewhere. It is just fine with us."

It is not fine with me. We need to care something about this country's marketplace and working people and its standard of living. Our present economic strategy does not do that. With all due respect to this President, whom I support, in my judgment—and he has done some work on trade—the fact is, our trade strategy is wrong. They are wrong about NAFTA and they are wrong about the consequences with Mexico.

With all due respect to a lot of folks on the other side of the aisle who have never seen a free-trade agreement they did not love to death and want to pass quickly, and with all due respect to those folks who are going to try to drag out something called fast track and put it on the floor of the Senate and the House in the reconciliation bill—you are dead wrong.

You do this country a disservice when you take something that is fundamentally undemocratic and use it as a vehicle to try to pole vault trade agreements through this kind of a Chamber. These are trade agreements that, in my judgment, erode this country's economic base.

I will come back at another time and speak at some greater length about what is the remedy for all this. However, I hope one day, one way or another, enough of us will become a critical mass to say these things matter. We need to say that these things are hurting our country, and are issues we must deal with aggressively to put America back on track.

Mr. President, I yield the floor.

Mrs. KASSEBAUM. Mr. President, I appreciate the Senator from North Dakota limiting his remarks. It is a subject, and an important subject that he cares a great deal about.

#### CUBAN LIBERTY AND DEMOCRATIC SOLIDARITY [LIBERTAD] ACT OF 1995

The Senate continued with the consideration of the bill.

Mrs. KASSEBAUM. Mr. President, I would like to speak on the subject of the legislation before us at this time, which is the Cuban Liberty and Democratic Solidarity Act, and to say that all of us on both sides of the aisle share I believe the same objective—to craft a United States policy toward Cuba that will most effectively encourage a democratic transition in that last stronghold of authoritarian rule in our hemisphere. The question before us

today is whether this legislation is the best means of advancing that goal.

If I may speak for just a moment about some of the concerns that I have, in the past, I have argued for a policy of strengthened engagement with the Cuban people. I believe we should take steps to encourage the free exchange of ideas within Cuba and increase news coverage of the island, to support dissident organizations and humanitarian groups in Cuba, and to help lay the groundwork for support of a post Castro government.

These objectives are widely shared. Some of the initiatives announced last week by President Clinton would move us in that direction. Similarly, chapters I and II of the legislation before us take a similar approach.

I want to commend the chairman of the Foreign Relations Committee, Senator HELMS, the majority leader, Senator DOLE, and other colleagues on both sides of the aisle—this is not a partisan issue on this legislation—for their hard work on these sections of the bill.

But to my mind, Mr. President, this legislation still raises very difficult issues, primarily in chapter III of the act before us. That section establishes a cause of action in United States Federal courts against any person or organization, foreign or domestic, who acquires property in Cuba against which a United States national has an expropriation claim.

In part, this approach is designed to help United States nationals to recover damages for the expropriation of their property in Cuba, and that is certainly understandable. Since they cannot recover from the Castro regime, this legislation would let them go after deep-pocket companies that have acquired property that Castro expropriated.

At the same time, this approach has, in my judgment, a broader foreign-policy consequence—to discourage foreign investment in Cuba. It seeks to do so by discouraging companies from acquiring certain expropriated property because of the uncertainty of what litigation may be involved. It is interesting that this legislation would allow any United States citizen who meets its criteria to seek relief through our Federal courts—even if the person is recently naturalized and was a Cuban citizen at the time the Cuban Government expropriated his property or her property.

I believe many questions about this approach remain unanswered, and perhaps they can be answered. But I want to raise them now with issues that are troubling to me, and I have been very appreciative of Senator HELMS and Senator HELMS' staff who have offered to try to help me understand the questions that I have.

What precedent are we setting for use of our Federal courts? I am not convinced that Congress would be wise to decide that our Federal courts should be used as a tool to advance our foreign policy interests. If we use courts to advance our policy objectives in Cuba